

## America's Small Business Resource

**Caribbean E-Outlook** is a publication of the U.S. Small Business Administration Puerto Rico and U.S. Virgin Islands District Office

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## Small Business Week Highlights

The U.S. Small Business Administration (SBA) Puerto Rico and Virgin Islands District Office recently celebrated Small Business Week, acknowledging the great contributions small businesses make to the economic development of the islands that we serve.

Puerto Rico Secretary of State and Acting Governor, the Honorable Jose Izquierdo, delivered to SBA District Director Carmen A. Culpeper the Governor's Proclamation designating the dates of May 9<sup>th</sup> through the 15<sup>th</sup> Small Business Week in Puerto Rico.



L-R: Pedro Acevedo, PR-SBDC; Felicia Correa, SCORE; Hon. Jose Izquierdo; Carmen A. Culpeper; Antonio Sosa, PR Trade; Rosalia de la Fuente, PR Products Association; Pedro Acevedo, PR Women's Business Institute

Culpeper was happy to recognize our District's Small Business Person of the Year, Evaristo "Tito" Freiria, president of Universal Manufacturing Corporation and the mastermind behind super cleaner Dr. Mecanico. Also, the District Director was proud to announce Women in Business Advocate of the Year Lourdes Aponte-Rosario as SBA Champion for the year 2004. Ms. Aponte-Rosario, founder and president of the Hispanic Business Women's Alliance --an On-line international association for women throughout the Americas-- was also honored by SBA Administrator Hector V. Barreto during the SBA Expo '04 in Orlando.

# Meet PR & U.S.VI District Director Carmen Ana Culpeper



SBA Administrator Hector V. Barreto recently announced the appointment of Carmen A. Culpeper as District Director for Puerto Rico and the U.S. Virgin Islands.

Culpeper's track record speaks for itself and quite distinctly of a woman who not very long ago Caribbean Business recognized as one of the most "Powerful Business Women in Puerto Rico".

She has been at the helm of high profile organizations in both the private and public sectors, adding to her résumé such positions as Secretary of the Puerto Rico Treasury and President of the Puerto Rico Telephone Company, becoming the first woman in Puerto Rico history to have ever led each.

Culpeper's remarkable career began in the late 60s after obtaining a master's degree in international business from the Wharton School of the University of Pennsylvania, when she became the first woman to be named management consultant of Peat Marwick Mitchell & Company. She later worked as Finance Manager for Volkswagen Caribbean and was manager at Citibank N.A.

She began her career in government as Advisor in Financial Affairs for the Mayor of San Juan and was promoted to Deputy Mayor up until her appointment as Puerto Rico Secretary of Treasury in 1981. Returning to the private sector, she moved to New York, where she was Vice President at Citicorp Investment Group for Latin America until she was tapped by Governor Mario Cuomo to preside over the State of New York Mortgage Agency.

Several years later, she returned to her native Puerto Rico to head the local operations of Donaldson, Lufkin & Jenrette and later presided over FINAPRI, Inc., a subsidiary of Triple S de Puerto Rico, the second largest corporation on the Island.

In April 1997, Culpeper was selected to preside over the Puerto Rico Telephone Company (PRTC), committing herself to leading the public corporation to the highest level of efficiency in telephone services and ensuring its financial wellbeing, while leading the company to privatization. Meeting the challenges of a 41-day strike and the interruptions of Hurricane Georges in 1998, Culpeper delivered the PRTC with net earnings of \$109 million and in optimal state to guarantee the privatization process on March 2, 1999. This enabled the PRTC's sale price to increase in over \$200 million from the original expectations.

After 1999, and returning to work as a consultant in the private sector, she presided over the Puerto Rico Chamber of Commerce redefining its mission and vision for this new century.

Business, however, is not the only item on Carmen's long list of endeavors and achievements. She is highly committed to social and community welfare, having dedicated much of her time and efforts to such organizations as the United Way of New York, the Hispanic Federation of New York, ASPIRA of America, Inc., the Ana G. Méndez University System, and the Salvation Army of Puerto Rico.

Culpeper has received much recognition throughout her career, including the Puerto Rico Heritage Award, bestowed in 1988 by the Mayor of New York, and twice the Distinguished Citizen award, bestowed in 1991 by the New York Office of Hispanic Affairs and in 1993 by the Puerto Rico Institute of New York. Her work and achievements have been recognized by a great number of organizations in Puerto Rico such as the Senate, El Nuevo Día daily, the Ponce and Puerto Rico Chambers of Commerce, and the Puerto Rico Bar Association, and has also been honored by the U.S. Telephone Association.

In addition to serving as corporate director for Santander Bancorp, GM Capital, and Centennial Communications Corporation, Carmen has actively chaired professional organizations such as the American Business Women's Association and the National Association of Accountants.

Prior to joining the SBA, she was an independent broker for Santander Securities and a financial and management consultant. She also presided over the Human Capital Development Board of San Juan, a publicly funded non-profit corporation that promotes job development and training. She currently serves as board director of Levitt Homes, Intech of Puerto Rico, and Triple S Management Corp.

## SBA and VI-WBC Partner for Youth Entrepreneur Program

Some time ago, the SBA's Officer in Charge in St. Croix, Carl Christensen, and the Virgin Islands WBC approached the St. Croix Vocational High School's principal and teachers with a unique concept: to work with each vocational class in an effort to introduce students to the business world by transforming each class into a youth-operated business.

Each class would select a board of directors, officers, purchase shares, plan their project and work towards production, sales and profitability -- all within the school year.

Once a week, both Christensen and the WBC director would meet with different classes and sit in on their board meetings, explaining roles of officers or the purpose of financial statements. Attorneys and bankers were invited to provide additional ideas and guidance.

One of the main features of the project was a fair and business exposition at the end of the school term to display the various products and/or services created by the students.

After much hard work, the project became a reality. With the help of four committed teachers, the entire campus of the St. Croix Vocational and Technical School recently hosted a Business Expo and Fair at its campus facilities.

Thousands of local residents visited booths, took tours, enjoyed delicious food prepared by the culinary class or buying seedlings grown by the agriculture class, all due to a unique concept created jointly through the efforts of the local SBA and WBC office.

**CONTINUED FROM COVER...**



SBA staff at SBW conference in Dorado, PR. From left: Hector Narvaez, Myriam Rodriguez, Samuel Maldonado, DD Carmen A. Culpeper, Marlene Ramirez, and Angel Santana.



Carmen A. Culpeper presents Small Business Person of the Year Award to Evaristo "Tito" Freiria, president of Universal Manufacturing Corporation.



Carmen A. Culpeper presents Women in Business Advocate of the Year Award to Lourdes Aponte-Rosario, president and founder of HBWA.



DDD Bob Pardo, Regional Administrator Michael Pappas, DD Carmen A. Culpeper and St. Croix Officer in Charge Carl Christensen at the SBA Expo '04 in Orlando.



VI-SBDC State Director Warren T. Bush (l) and St. Croix Officer in Charge Carl Christensen present Lender Award to Cassan Pancham, (center), general manager of First Bank VI and president of the VI Bankers Association.



SBA Administrator Hector V. Barreto and DD Carmen A. Culpeper share a moment at SBA Expo '04 in Orlando.



# SBA Offers Tips to Help Businesses and Homeowners Prepare for Hurricane Season

**With the beginning of the six-month Atlantic hurricane season, which runs from June 1 to Nov. 30, the U.S. Small Business Administration urges homeowners and businesses to plan and prepare for the worst-case scenario by taking steps in advance to minimize damage caused by these major storms.**

The survival of a community can depend on the ability of businesses and homeowners to minimize the risks—wind damage and flooding—that accompany hurricanes.

“Without a doubt, the impact of the storm could have been lessened if more people had prepared before the disaster,” SBA Administrator Hector V. Barreto said. “Taking steps before a hurricane strikes will help people respond quicker and recover sooner.”

Here are some hurricane preparedness tips for homes and businesses:

- **Have a disaster plan in place.** Find escape routes from the home or business and establish places to meet. Have on hand emergency phone numbers; business owners should designate a contact person who will communicate with other employees, customers and suppliers. Families should ask an out-of-state relative or friend to serve as the “family contact.”

- **Insurance.** According to the National Flood Insurance Program, only 25 to 50 percent of U.S. homeowners in flood-prone areas have flood insurance. Flood damage is not usually covered by homeowners insurance. Business owners and individuals should review their insurance policies before the storm hits. Business interruption insurance—which replaces income lost during down time caused by a covered peril—should be considered.

- **Disaster survival kit.** It should include a flashlight and extra batteries, portable, battery-operated radio and extra batteries, a first-aid kit, non-perishable packaged and canned food, water (a weeks’ worth), a manual can opener, sturdy shoes, a basic tool kit, waterproof plastic bags, and cash.

- **Important business records** should be stored at an off-site location at least 50 miles away. Computer data should be backed up, saved on diskettes or CD Roms and stored off-site.

- **Windows.** Install storm shutters over all exposed windows and other glass surfaces in the home or business. Plywood shutters—1/2-inch marine plywood is best—can also offer protection from flying debris.

The SBA makes low-interest disaster loans to homeowners, renters and non-farm businesses of all sizes. Homeowners may borrow up to \$200,000 to repair or replace damaged real estate.

Individuals may borrow up to \$40,000 to cover losses to personal property. Non-farm businesses and non-profit organizations of any size may apply for up to \$1.5 million to repair or replace business assets. Small businesses that suffered economic losses may apply for a working capital loan of up to \$1.5 million, even if the property was not physically damaged.

Necessary information to help disaster victims complete loan applications includes:

- (a) an itemized list of losses with an estimate of the repair or replacement cost of each item;
- (b) copies of certain state and/or federal income tax information (as specified in the application);
- (c) a brief history of the business (if applicable); and
- (d) personal and/or business financial statements.

During fiscal 2003, the SBA approved more than 25,800 disaster loans for \$885 million.

Since 1989, in the aftermaths of hurricanes Hugo, Marilyn, Bertha, Hortense, Georges, and Lenny, the SBA has approved 33,486 disaster loans for \$347.4 million in Puerto Rico and 13,787 loans for \$366 million in the U.S. Virgin Islands.

To learn more about the SBA’s disaster assistance program and links to additional disaster preparedness tips, visit the Web site at [www.sba.gov/disaster](http://www.sba.gov/disaster).

# Barreto Announces Stephen Galvan as SBA Chief of Staff

U.S. Small Business Administration Administrator Hector V. Barreto announced today the appointment of Stephen Galvan as SBA chief of staff. Galvan, who has been serving as acting chief of staff, has also served as the SBA's chief information officer. He currently also holds the position of chief operating officer, and is expected to continue in that office in addition to his new duties.

"Steve Galvan has served as a valuable member of my management team, and I know that he is eager to take on more responsibility as the SBA continues to serve America's small business owners," Barreto said. "Steve's understanding of SBA operations and his commitment to this agency make him the perfect person to serve in this important position."

As chief of staff, Galvan will oversee the SBA's day-to-day operations, ensuring that the Administrator's initiatives are carried out, and will serve as one of the primary advisors to both Administrator Barreto and Deputy Administrator Melanie Sabelhaus. Galvan, who as chief operating officer helped initiate the agency's internal "Execution Scorecard," is expected to take a strong leadership role in this and other similar initiatives to increase the SBA's internal monitoring of goals and accomplishments.

"I am very proud to serve as the SBA's chief operating officer and chief of staff," Galvan said. "I am honored that Administrator Barreto has put his trust in me, and I look forward to serving him, the President, and America's 25 million small business owners, who are so vital to our economy."

Before coming to the SBA, Galvan served as E-Government portfolio manager for the Office of Management and Budget (OMB). There, he used modern technology to improve internal federal government processes to reduce costs in areas such as supply-chain management, financial management and knowledge management.

Galvan, a former entrepreneur, has extensive business and Information Technology management experience in telecommunications, media, utilities, consumer products and insurance industries. He has worked for Fortune 500 companies and consulting firms.

Galvan holds a Master of Business Administration degree from the University of Chicago Graduate School of Business.

## UPCOMING EVENTS

### **Financing Options to Start or Grow your Business**

Date: August 18

Time: 9:00 AM – 11:00 AM

Place: SBA District Office

Call: (787) 766-5572

### **8(a) Certification Seminar**

Date: August 25

Time: 9:00 AM -11:00 AM

Place: SBA District Office

Call: (787) 766-5572

### **To commemorate the 40th anniversary of the Civil Rights Act of 1964, SBA Administrator Hector V. Barreto issued the following statement:**

"The passage of the Civil Rights Act of 1964 marked a major victory for America's better self. It is a major milestone in our ongoing national quest to give all Americans a fair shot at achieving the American Dream.

"Today, African-Americans who would have been denied equal access to hotels, restaurants, gas stations and other public accommodations 40 years ago, are now proud owners of these very accommodations. But there is still much to be done. Our goal is an ownership society where all Americans will have the opportunity to own their own homes, to exercise greater control over their own health care - and to own their own businesses. The U.S. Small Business Administration is committed to helping make this vision a reality, and to honoring the legacy of the Reverend Dr. Martin Luther King Jr., who dreamt of the day 'when justice rolls down like waters, and righteousness like a mighty stream.'"

# LOAN PRODUCTION IN PR & USVI (AS OF 6/30/04 - 6/30/03)

Lender / CDC	# of Loans 2004	\$\$\$ Value	# of Loans 2003	\$\$\$ Value
Banco Bilbao Vizcaya Argentaria	211	\$13,976,420	28	\$2,866,700
Banco Popular de Puerto Rico ♦	401	\$45,140,796	409	\$37,099,500
Banco Santander Puerto Rico	151	\$18,109,800	98	\$14,634,900
Business Loan Center	2	\$1,417,000	2	\$1,206,000
Cooperativa Ahorro y Crédito Aguada	3	\$1,145,000	1	\$210,000
Doral Bank	15	\$1,286,400	0	0
Economic Development Bank for PR	0	0	1	\$322,000
Eurobank	1	\$310,000	1	\$342,760
Firstbank♦	2	\$300,000	3	\$365,000
Government Development Bank of VI	1	\$40,000	1	\$50,000
Grow America Fund, Inc.	3	\$195,000	5	\$395,000
Independence Bank	1	\$150,000	0	0
Oriental Bank & Trust	3	\$305,000	0	0
R&G Premier Bank of PR	0	0	2	\$250,000
Scotiabank Puerto Rico	1	\$85,000	5	\$610,000
Virgin Islands Community Bank	1	\$100,000	0	0
COFECC*	6	\$1,969,000	10	\$5,489,000
Marketing Development Corp. *	29	\$10,705,000	15	\$5,832,000
North PR Local Development *	5	\$1,837,000	4	\$2,221,000
PR Business Development Corp.*	10	\$4,302,000	1	\$675,000
<b>TOTALS</b>	<b>846</b>	<b>\$101,373,416</b>	<b>586</b>	<b>\$72,568,860</b>

♦Includes Loans in VI

\*CDC